DEPARTMENT OF JUSTICE

ANTITRUST ENFORCEMENT AND AMERICAN PROSPERITY

Address by

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I appreciate the opportunity to join you here tonight. It goes without saying that the New York antitrust bar is widely respected as one of the most sophisticated and talented in the nation and counts among its number many of the nation's finest antitrust lawyers. The prestige of this forum makes it a perfect occasion to address a question that I think is of fundamental importance to the economic future of the United States: Is antitrust enforcement good for America?

I won't keep you in suspense. The answer is yes -- an emphatic, unqualified yes. A yes that is written on every page of our economic history, a yes that is as basic as the fundamental organizing principle of our economy. Intelligent, vigorous antitrust enforcement protects the competitive process, a process that, when free of artificial restraints and monopoly, has for two hundred years stimulated innovation, promoted prosperity and contributed to the international success of the U.S. economy and U.S. business.

THE IMPORTANCE OF EFFECTIVE ANTITRUST ENFORCEMENT TO AMERICA'S ECONOMIC HEALTH

Sound antitrust enforcement is, quite simply, vital to America's economic health. It brings consumers the highest quality goods at the lowest prices with the most choice. But consumers are not the only beneficiaries of a sound antitrust policy, nor even the most direct beneficiaries. Rather, American businesses benefit most from antitrust enforcement. Antitrust enforcement enhances the competitiveness of American business abroad by promoting rivalry here at home. It fires up the dynamism of our economy by protecting innovative companies from being thwarted by lackadaisical monopoly or anticompetitive restraints of trade. And, more and more, antitrust enforcement effectively protects American businesses from anticompetitive restraints of trade in foreign markets, further promoting the international competitiveness of the American economy.

The United States was the first nation in the world to commit itself to protecting fair competition in open markets through the passage of antitrust laws. The Sherman Act -- passed by Congress in 1890 with only one dissenting vote and signed by a Republican president -- and the other federal antitrust laws have helped create the environment of economic opportunity that has been essential to America's prosperity in this century. The connection between our antitrust policies and our economic strength is illustrated most vividly by the fact that more and more countries are recognizing the benefits of competition on the merits protected by vigorous antitrust enforcement.

The historical record of antitrust enforcement illustrates its contribution to American economic vitality and the benefits of sound antitrust enforcement for the American business community. One example that I have often noted, but that bears reiterating, is the dismantling of AT&T's monopoly over long distance communications and communications equipment. As you know, the Antitrust Division vigorously pursued the monopolization case against AT&T through both Republican and Democratic Administrations -- from the opening of the investigation in the Nixon Administration through litigation during the Ford and Carter Administrations to its successful conclusion in the Reagan Administration.

Bill Baxter, who headed the Division at the beginning of the Reagan Administration, negotiated the 1982 settlement that resulted in the entry by Judge Harold Greene of the Modification of Final Judgment, or MFJ. The MFJ ended AT&T's monopoly over the long distance telephone and communications equipment markets and provided for the creation of the Regional Bell Operating Companies. Although these Baby Bells retained a monopoly over local telephone service, the MFJ contained important safeguards to prevent them from using that monopoly to gain unfair advantage in other markets. The MFJ has, in sum, provided a framework for promoting competition in telecommunications.

The burst of competition and innovation touched off by the AT&T case has benefitted our economy -- that is, it has benefitted American businesses and consumers -- for over a decade now. As just the latest example of the dividends of competition, a headline in the New York Times earlier this month reported that a "telephone price war [is] heat[ing] up." The accompanying story predicted that recent moves by Sprint could set off a "bigger price war in the long-distance telephone industry." The story explained that Sprint's move was "a counterattack" to "an aggressive . . . package of discounts" that had previously been offered by AT&T. The Times followed up that story this past Saturday with a front page story, headlined "No-Holds-Barred Battle for Long Distance Calls."

Price wars and no-holds-barred battles in the long distance telephone market were unimaginable before the Division successfully dismantled AT&T's monopoly. Now they are as common as television commercials. The result for businesses and consumers has been lower prices, better service and more choice. Since the MFJ, long distance prices for residential customers have dropped more than 50 percent in real terms, minutes of use have increased exponentially and there are now hundreds of long distance companies from which to choose. And choose Americans did in 1994 -- the New York Times reports that more than 25 million people changed long distance carriers at least once last year.

Let me underscore my basic point: The direct beneficiaries of antitrust enforcement in the AT&T case were businesses, beginning with MCI, Sprint and the hundreds of smaller carriers that compete with AT&T in the market for long distance communications. The list of businesses who benefited from the AT&T case extends, of course, to the scores of firms -- large and small -- that compete with AT&T in the market for communications equipment. And we should not forget the benefits to businesses that buy long distance service or communications equipment -- which is virtually every business in America, from Mom and Pop stores to the Fortune 500.

In addition to lower prices, the intense rivalry made possible by the break-up of AT&T has caused innovation in long distance and communications equipment to rush forward literally at the speed of light. I say "at the speed of light," because increased competition in long distance communication hastened the deployment of multiple fiber optic networks throughout the nation. Corning Glass, a New York company, invented fiber optic cable and attempted to sell it to AT&T in the early 1970s. But AT&T, facing no competitive threat, probably had little interest in quickly replacing its perfectly serviceable copper wire network with fiber optic cable.

After the AT&T divestiture, fiber optics really took off. In part, this was because AT&T, Corning and others that were working on fiber optic technology brought down its costs. But the breakup itself almost certainly accelerated things. New entrants into the long-distance telephone business, like Sprint, MCI and other, smaller firms turned to Corning to provide fiber optics. Eventually, AT&T was forced to install fiber optic cable itself in order to match the quality and cost of its competitors. By the time AT&T did so, there were already three other fiber optic networks spanning the country.

The widespread deployment of fiber optic cable will have ramifications for the lives of all Americans -- indeed, people across the globe -- that are beyond prediction. At least, I will not venture any predictions. I am reminded of the sage who, shortly after the invention of the telephone, boldly predicted that it would revolutionize communication; eventually, he said, every single town in America would have a telephone to keep in touch with the outside world.

The benefits of antitrust policy are not unique to the AT&T case or the telecommunications industry. Last year, the Antitrust Division brought and settled a case against Pilkington, the British glass manufacturer that has long had a monopoly over flat glass production technology. Flat glass is used for windows and architectural panels by the construction industry and for windshields and windows by the automobile industry -- in short, it is a huge, international market worth some $15 billion a year.

We concluded after an extensive investigation, however, that Pilkington was foreclosing American glass manufacturers from competing in foreign markets using their own technologies. We alleged in our Complaint that in the early 1960s, Pilkington entered into unreasonably restrictive licensing arrangements with its most likely competitors, then for three decades used these arrangements and threats of litigation to prevent American businesses from competing to design, build and operate flat glass plants in other countries. By the time we sued Pilkington last year, its patents had long since expired and its technology for the most part had entered the public domain.

The Consent Decree accepted by Pilkington to settle the case will bar it from restraining American (and foreign) firms who desire to sell their technology outside the United States. As a result, American businesses will be able to compete for the 50 new glass plants expected to be built around the world over the next six years. This competition -- on a playing field made level by vigorous, intelligent antitrust enforcement -- could increase U.S. export revenues by as much as $1.25 billion during that period.

The bottom line is that rivalry -- the opportunity to compete and succeed -- serves our economy best. Professors Mike Scherer of Harvard and William Comanor of the University of California at Santa Barbara recently assessed the long term effects of antitrust enforcement by comparing developments over the last eighty years in the American oil and steel industries. (William S. Comanor & F.M. Scherer, "Rewriting History: The Early Sherman Act Monopolization Cases" (Third Revised Version, November 1993).) As you know, the government's Section 2 case against Standard Oil culminated in 1911 with the dismantling of that company's monopoly of the oil industry. By contrast, a similar attempt failed with regard to the steel industry, leaving that industry dominated by United States Steel, a combination of some 170 previously independent entities.

Over the following years, the Standard Oil successors -- such as Exxon, Mobil, ARCO, Conoco, Amoco and Chevron (as they are now known) -- confronted the challenges of a relatively competitive domestic market. Today, they are among the leaders of the international petroleum industry. On the other hand, United States Steel faced no serious domestic competition and, as Professors Scherer and Comanor explain, "slowly but surely lost its lead of an industry that felt impelled to seek government protection from foreign competition." U.S. Steel's role in steel industry technological innovation steadily dropped through the middle of the century, in contrast to the oil companies, whose share of innovations during that same period exceeded their share of refining capacity.

In the last decade, the American steel industry has renewed itself and greatly increased its ability to succeed in a global market. But it has done so by doing what American businesses do as well as or better than any in the world -- responding to competition and innovating new and better ways of doing business.

Professors Scherer and Comanor sought through quantitative analysis to determine what role the antitrust enforcement of the early 20th Century had in the relative fortunes of the oil and steel industries.

They concluded that competition brought about by antitrust enforcement in the oil industry had positive consequences for the industry's subsequent development -- and hence for the American economy. They also suggested that successful enforcement against United States Steel would have increased competition in the steel industry between the two world wars and averted what they term "the tragic failures that occurred more recently."

Based on their detailed analysis of the oil and steel industries as well as general observation of other industries that were the subject of early Sherman Act cases, Professors Scherer and Comanor confirmed what advocates of intelligent antitrust policy have long believed: "[D]ynamic efficiency and the ability to compete internationally come . . . from the disciplining force of vigorous domestic competition. Competition among numerous enterprises on a level playing field, rather than the consolidation of assets in a few hands, appears to be a more powerful engine for economic progress."

This connection between competition and economic dynamism accords with the findings of Professor Michael Porter's landmark study of international competitiveness, <u>The Competitive Advantage of Nations</u>. He concluded flatly that "[f]irms that do not have to compete at home rarely succeed abroad." The reason? Domestic rivalry spurs innovation, which is an essential element of international economic success. Thus, antitrust policy that promotes competitive markets contributes directly to America's economic health and vitality.

The choice that faces us on the threshold of the 21st Century, is whether we want the American economy's performance over the coming years to more closely resemble the vitality and international leadership of the American oil industry in the 20th Century, or the decline and stagnation of the American steel industry during that period. To state the alternatives is to answer the question: America must opt for an environment of vigorous competition and economic opportunity. Our prosperity depends on it. And to achieve such an environment requires alert, intelligent antitrust enforcement.

So when I say -- as I have since the day that I was appointed Assistant Attorney General in charge of the Antitrust Division -- that I am an unabashed supporter of antitrust enforcement, it is because sound antitrust policy is essential to America's economic future. It is vital for American businesses, it is great for American consumers and it is the bedrock of the American economy.

THE CHALLENGES OF ANTITRUST ENFORCEMENT FOR THE 21ST CENTURY

Even as the importance of antitrust enforcement has grown, so have the challenges and difficulties. A number of factors contribute to this. To begin with, of course, the economy has grown in complexity as it has grown in size. More and more, competition issues arise in markets that involve complex technologies, with telecommunications being the most obvious example. Sound policy and enforcement in such a context requires a high level of sophistication in technical and economic issues, in addition to mastery of the applicable law. The increasing globalization of many markets likewise poses special challenges to effective antitrust enforcement and has strained enforcement resources. Yet another factor is that we have been called upon to review competition concerns in rapidly changing industries, like health care, or industries that have traditionally been regulated monopolies but are in transition to market based competition, like telecommunications. Even a brief glance at some of the Division's activities in the past year illustrates the challenge of effective enforcement in today's economy.

Telecommunications

For example, the Division reviewed a series of large telecommunications mergers. One such transaction involved the plans of British Telecommunications (BT), the world's fourth largest telecommunications provider and the dominant provider in Great Britain, to buy a 20 percent equity stake in MCI, the world's fifth largest provider, and to form a joint venture with MCI to provide international telecommunications service. This transaction involved all the challenges I have discussed: complex technology, global markets, a rapidly changing industry.

A thorough, effective review of the merger's competition implications was essential for the protection of competition in telecommunications, but complex. The victims of lessened competition would have included other American telecommunications firms, as well as American businesses and consumers who purchase international telecommunications services. I am proud of the outcome of our investigation, which was a Consent Decree that allowed the transaction to go forward, but that effectively protected competition while minimizing interference with the operations of BT, MCI and the joint venture. Other complex telecommunications transactions that raised competition concerns were AT&T's acquisition of McCaw Cellular and TCI's acquisition of Liberty Media. In both cases, we were able to work with the parties to restructure the transactions to allow them to go forward without threatening competition in the relevant markets. We also began reviewing the TCI-Bell Atlantic merger, but our review was of course overtaken by events.

Our involvement in promoting competition in telecommunications did not end with the review of huge mergers. When the European Telecommunications Standards Institute (ETSI), a nonprofit association responsible for developing European telecommunications standards, proposed the adoption of policies that might have imposed unreasonable terms on businesses, including American firms, seeking to sell technology rights in Europe, the Division opened an investigation to determine whether the proposed policy would raise U.S. antitrust concerns. We were particularly concerned with whether the proposed policy would chill innovation in the United States. DG-IV, the European Union's antitrust enforcement agency, also questioned the ETSI proposal. ETSI eventually rescinded the proposal and adopted an interim policy that does not include the objectionable provisions. This change likely will facilitate the ability of American telecommunications companies to sell technology rights in Europe.

We also devoted substantial resources to reviewing requests for waivers of the MFJ, which protects the competition created by the breakup of AT&T. Until Congress enacts comprehensive telecommunications reform legislation, the MFJ will be vital to promoting telecommunications competition, and the Division will have a heavy workload in dealing with requests for waivers under the MFJ.

The Division continues to work with other executive agencies and with members of Congress from both parties to pass effective reform legislation that will promote competition, not unleash monopolies. But the passage of such legislation will only increase the importance of effective antitrust enforcement, as the regulatory machinery that has governed the telecommunications for the last 60 years is dismantled and the industry moves toward open competition.

Our vision for the telecommunications future is that every company will be permitted to compete in every market, for every customer. The government -- whether state or federal -- can not and should not pick winners and losers. Let the market decide. But we would be naive if we expected the transition from regulated monopolies to competitive markets to be flawless. Thus, a key element to attaining a future of free competition in telecommunications must be effective, sophisticated antitrust enforcement by the Antitrust Division.

Health Care

Challenges similar to those in telecommunications also confront us in other rapidly changing industries, such as health care. Spending on health care accounts for a seventh of America's Gross Domestic Product, and the industry employs over nine million people. For too long, many health care markets have not been organized around free markets and the competitive process. Now, there is a growing consensus that competition can do for this large and important industry what it has done for the economy as a whole: provide American consumers with the best quality service at the lowest prices.

As in telecommunications, the transition to greater competition is neither painless nor smooth. Accordingly, the Division has devoted substantial resources to promoting and protecting competition in health care. In particular, we are reconstituting the Professions and Intellectual Property Section -- which has directed most of its efforts in the past year to health care initiatives and has developed sophistication and expertise in the competition issues affecting the industry -- as the Health Care Task Force.

We undertook a major effort to provide detailed guidance to industry participants as they adapt their businesses to health care's changing economics. Along with the FTC, in September 1994 we released revised and expanded Statements of Antitrust Enforcement Policy in the Health Care Area, a 106 page document that covers nine separate areas ranging from mergers among hospitals to provider participation in exchanges of price and cost information. The two agencies also committed to providing expedited 90-day business reviews for the health care industry, a commitment that we followed through on by responding to twelve inquiries involving the health care industry.

Responding to health care business reviews on an expedited basis, reviewing proposed mergers and assessing the contracting practices of dominant health care plans and insurers -- all these activities demanded more time and more sophistication than ever before. But our efforts were worth it. The health of our health care system depends on the benefits that increased competition will bring.

Guidance for the Business Community

Since I just referred to business reviews, I should add that we have revamped our entire business review process to make it more efficient and responsive. As a consequence, we issued 27 business reviews in FY 1994 and 16 in FY 1993, an all-time record of 43 business reviews in a two-year period. Of these 43 business reviews, 18 were in the health care field and 25 in other industries. All are published and available for guidance to other businesses with similar issues or concerns.

Additional guidnace includes the draft Guidelines for Licensing and Acquisition of Intellectual Property and Guidelines for International Operations that we released for public comment last fall and that we expect shortly to release in final form. Predictability is a vital element of sound antitrust enforcement, and the Division has undertaken substantial efforts -- through guidelines, policy statements, business reviews, speeches and testimony -- to provide guidance to the business community that is a detailed and clear as possible. Sound antitrust enforcement is not a game of "gotcha!", but rather requires consistent application of established legal and economic principles.

Global Challenges

I would like to turn briefly to the broader challenges presented by a global economy. We cannot afford to limit our enforcement efforts to American firms or to conduct within the United States. Restraints imposed by foreign firms can harm American consumers just as surely as those imposed by domestic firms. Our antitrust laws also serve to protect American exporters from anticompetitive restraints imposed by foreign firms in foreign markets. Accordingly, the Division's global activities in the past year were extensive, including a doubling of matters with significant international aspects. I already mentioned the Pilkington case and its importance in opening a huge export market for American glass manufacturers, as well as BT-MCI and its potential for creating opportunities for American firms in overseas telecommunications markets.

The Division also broke up several international price-fixing conspiracies that were raising prices for businesses and consumers in the United States. These international cartels are using increasingly sophisticated techniques and technology to coordinate their activities. The sophistication of these conspiracies challenges us as a law enforcement agency to keep pace. Among other things, it places a premium on international cooperation in antitrust investigations. Our experience in this past year illustrated the indispensability of coordination and cooperation between national antitrust authorities.

With the assistance of Canadian authorities, we brought criminal charges against a Japanese corporation, two U.S. subsidiaries of Japanese firms and an executive of one of the firms for conspiring to charge higher prices to thermal fax paper customers in North America. The victims of this conspiracy were the users of thermal fax paper --

primarily small businesses and home fax machine owners. This case represented two major "firsts" for the Antitrust Division. It was our first criminal prosecution of a major Japanese corporation headquartered in Tokyo as well as the first prosecution to be coordinated with Canadian authorities.

Our cooperation with the Canadians did not end with the fax case. We also depended upon crucial assistance from Canadian authorities in breaking up a second price-fixing conspiracy -- this one involving the $100 million market for plastic dinnerware products. Canadian officials helped by searching the Canadian offices of one of the defendants pursuant to the U.S.-Canada Mutual Legal Assistance Treaty. Two corporate defendants have been fined over $8 million in that case, and we expect additional fines and possible jail sentences before the case is closed.

A major obstacle to effective antitrust enforcement against international cartels is the difficulty we often encounter in obtaining relevant information that is located abroad. To help us overcome this obstacle, we initiated and supported the International Antitrust Enforcement Assistance Act of 1994, which enjoyed strong bipartisan support in both houses of Congress from the time it was introduced on July 19, 1994. The Act passed overwhelmingly in October, and the President signed it into law on November 2, 1994. I might add that one of the key sponsors was Senator Strom Thurmond, and we look forward to working with him in his new role as chair of the antitrust subcommittee in the Senate.

Modeled after the law that helps the Securities and Exchange Commission obtain evidence abroad, the Act authorizes the Division and the FTC to negotiate reciprocal assistance agreements with foreign agencies, provided those agencies accord law enforcement information the same degree of confidentiality it receives in this country. Once in place, bilateral agreements negotiated pursuant to the Act will greatly enhance our ability to combat international cartels that fix the price of goods and services sold to American businesses and consumers.

Increased Merger Activity

Closer to home, the Division faces new challenges in accomplishing its vital task of reviewing the competitive implications of proposed mergers. I already discussed some of the huge telecommunications mergers we looked at in the past year; premerger review in general occupied a substantial portion of the Division's resources, accounting for some 40 percent of our expenditures. As you may know, 1994 set a record for merger activity in the United States, with companies announcing almost $340 billion worth of deals -- topping the previous record set in 1988. Firms notified the Division of over 2300 transactions in fiscal year 1994, an increase of about 25 percent over the preceding fiscal year.

There is widespread agreement that premerger review is one of the Division's most important functions. Congress recognized with passage of the Hart-Scott-Rodino Act in 1976 that review of the competitive implications of mergers <u>before</u> consummation is necessary for effective antitrust enforcement. The scrambling of assets often renders postclosing remedies effectively impossible.

The needs of the economy and the business community require that premerger review be thorough, sophisticated, efficient and timely. On the one hand, if review is not thorough and sophisticated, the economy and business can suffer, either because an anticompetitive merger is improperly allowed or because a procompetitive (or competitively neutral) merger is inappropriately obstructed. On the other hand, if review is not efficient and timely, businesses incur unnecessary and expensive delay. The Division has committed itself wholeheartedly to ensuring that review of pending transactions is thorough, sophisticated, efficient and timely.

Following through on this commitment presents the Division with a tremendous challenge, to be sure. The "merger mania" of the 1990s differs in an important respect from that of the 1980s. Unlike the balance sheet driven transactions of the 1980s, today's mergers have been accurately described by observers as "strategic." The Wall Street Journal recently explained that they often are "transactions in which a company buys a related company in hopes of making two and two add up to five." These strategic mergers demand close scrutiny, because the parties may make two and two add up to five by foreclosing entry to other competitors and lessening competition -- a problem that we identified, for example, in the BT-MCI transaction. At the same time, they may get to five by creating significant efficiencies that will benefit the companies and, ultimately, consumers and the economy. The Antitrust Division has to assess whether the efficiencies justify the competitive risks -- an assessment that increases in difficulty with the size and complexity of the transaction being reviewed.

Further strain on the Division's resources comes from our fundamental belief that working out innovative solutions to competitive problems is better for the business community and the American economy than obdurate obstructionism. Such solutions to competitive problems often require substantially more effort than merely identifying the problems in the first place. Our success in resolving competitive concerns without scuttling entire transactions is illustrated by our record in the last fiscal year. The Division challenged 22 transactions that it concluded could lessen competition if allowed to proceed as proposed. Nineteen of those challenged transactions went forward after the parties agreed to steps that alleviated the threat to competition. Two were abandoned by the parties after the Division's challenge, and one was tried to a federal district judge, who has yet to render a decision.

As an example of the innovative solutions we seek, let me very briefly describe the Consent Decree we obtained after challenging the proposed merger of the Morton Plant and Mease hospitals in North Pinellas County, Florida, which incidentally was our first case filed jointly with a State Attorney General. We believed that the combination, which would have accounted for nearly 60 percent of general acute care hospital services in the county, would have reduced options available to the managed care plans that have been instrumental in containing hospital costs. The Consent Decree preserves competition between the hospitals for most services, but allows them to act jointly in specified areas where such action will not harm competition. This ground-breaking settlement thus preserves competition between the hospitals without sacrificing the potential efficiencies of consolidation.

THE NEED TO MAINTAIN FUNDING LEVELS FOR ANTITRUST ENFORCEMENT

The importance of effective antitrust enforcement to the economy and the challenges of such enforcement underscore the importance of maintaining funding levels for the Antitrust Division. Some may look at recent increases in the Division's budget and say that we can afford to cut back the resources allocated to antitrust enforcement. Such a view, however, ignores the broader history of the Division's funding.

In 1980, the Division had 456 attorneys -- the most ever. That level of staffing stemmed in large part from two massive cases -- against AT&T and against IBM -- that had been pursued through both Republican and Democratic administrations and that had required significant resources. Those cases both concluded in the early 1980s, and there is no doubt that a reduction in Division staffing was appropriate -- perhaps of as much as 100 attorneys, a 20 percent cutback. As it turned out, the cuts went way too far. By 1989, the Division had only 229 attorneys -- half the number at the beginning of the decade -- even though the economy and the Division's mission of protecting open markets had grown hugely in size and complexity.

Assistant Attorney General Jim Rill, the Bush Administration and a bipartisan majority in Congress recognized that this decimation of the Antitrust Division seriously compromised the Division's ability to fulfill its vital law enforcement functions and jeopardized the goals of economic opportunity and open markets. They reversed the downward spiral in Division funding and began restoring the Division's capability to pursue a sound antitrust enforcement policy.

When viewed in the context of the past 15 years, increases in the Division's budget have been modest. The number of attorneys employed by the Division at the end of fiscal year 1994 was still about 30 percent below the number in 1980 -- virtually identical to the number of Antitrust Division attorneys in 1972, the middle of the Nixon Administration. When adjusted for inflation, the Division's 1995 budget is well below its 1980 level.

Moreover, when viewed in the context of <u>net</u> expenditures, increases in the Division's budget have not added any burden to taxpayers, because the Division is effectively self-funded. Fines and fees paid as a result of Division enforcement activities brought more money into the Treasury last year than the $71.2 million spent on Division operations. Over the past three years, such fines and fees contributed almost $48 million more to the public purse than was expended on antitrust enforcement. There is thus no doubt that America can afford to fund a sound antitrust enforcement policy.

More to the point, however, we cannot afford <u>not</u> to invest in antitrust enforcement. Sustained funding for effective antitrust enforcement promotes competitive, open markets that reward innovation and progress -- the keys to success in a global, high-technology economy. Moreover, sustained funding results in a stable core of enforcers with a sophisticated understanding of the issues in specific industries, thereby contributing to predictability for businesses seeking to plan their operations over the medium and long terms. In short, intelligent antitrust enforcement that does not fluctuate wildly from drastic budget cuts will safeguard the competitiveness of American businesses and the American economy for the 21st Century.